



DEPARTMENT OF THE NAVY
THE ASSISTANT SECRETARY OF THE NAVY
(INSTALLATIONS AND ENVIRONMENT)
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

8 July 1999

Mr. Michael McCabe
Regional Administrator
United States Environmental Protection Agency
Region III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

Dear Mr. McCabe:

EPA Region III and Department of Navy staffs have had a number of discussions concerning the inclusion of St. Helena Annex with Norfolk Naval Shipyard on the National Priorities List (NPL). This letter is to reaffirm the Navy's intent to fulfill its investigation and cleanup responsibilities at St. Helena Annex under the Defense Environmental Restoration Program authorities of 10 U.S.C. 2701 and Section 120 of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) irrespective of the decision on inclusion on the NPL.

St. Helena Annex is an U. S. Navy installation established in 1846 and located on the Southern Branch of the Elizabeth River in Norfolk, Virginia. The Navy has outleased approximately 19 acres of St. Helena Annex to the Norfolk Shipbuilding & Drydock Corporation (NORSHIPCO) since 1984. In 1995, NORSHIPCO expressed an interest in acquiring the leased portion of the Annex from the Navy. In 1997, Congress authorized the Navy to exchange a portion of St. Helena Annex for land, in-kind services, and/or cash pursuant to Section 2832 of the FY97 Defense Authorization Act. Since that time, negotiations between the two parties have been underway.

Previous environmental investigations indicate a potential for a localized groundwater contamination problem in the vicinity of one building of the portion of St. Helena Annex proposed for transfer (approximately one acre near Bldg. 621). Under CERCLA § 120, the Navy is responsible for assessment and any necessary remedial action. The Navy intends to retain, through deed restrictions, property access rights for any future investigations and possible remedial actions. The Navy also will include any deed restrictions required to effect the final

remedy and ensure long term protection of human health and the environment. In accordance with our policies on land use controls, we will ensure coordination with EPA on any future proposed changes in land use by the subsequent owner.

The Navy intends to continue working closely with EPA Region III and Virginia Department of Environmental Quality personnel through completion of any required remedial action at St. Helena Annex. Furthermore, the Navy intends to seek FY00 funding to conduct a Site Characterization to define the nature and extent of contamination present at the "Building 621 Site". It is expected that this investigation will cost less than \$100,000. If necessary, the Navy intends to seek funding to conduct a Remedial Investigation/Feasibility Study in FY01, a Remedial Design/Remedial Action in FY02, and any long term monitoring requirements not transferred to the subsequent owner.

To maintain consistency and coordination with EPA, the Navy agrees that the Navy retained portion of St. Helena Annex and the "Building 621 Site" will be addressed in the same manner as other sites under the Federal Facilities Agreement to be signed for the Norfolk Naval Shipyard. This will ensure continued EPA and State participation in the prioritization, scheduling and funding process.

We understand that this is a unique situation due to the special legislation to transfer the property and the extensive assessment and cleanup of the property accomplished to date. We appreciate the efforts of your staff in helping craft a solution that both protects human health and the environment and also promotes rapid property transfer and reuse of this valuable property.

A handwritten signature in dark ink, appearing to read "R. B. Pirie, Jr.", with a stylized, cursive script.

ROBERT B. PIRIE, JR.